

Award
NASD Regulation, Inc.

In the Matter of the Arbitration Between:
Alex Leykin v. E*Trade Securities, Inc.

Case Number: 99-912

Hearing Site: Milwaukee, Wisconsin

REPRESENTATION OF PARTIES

Claimant, Alex Leykin, hereinafter referred to as "Claimant": Mark E. Sanders, Esq. And Mary Beth Peranteau, Esq., Halling & Cayo, Milwaukee, Wisconsin.

Respondent, E*Trade Securities, Inc. hereinafter referred to as "Respondent": Ekwan E. Rhow Esq. And Gary H. Loeb, Esq., Bird, Marella, Boxer & Wolpert, Los Angeles, CA.

CASE INFORMATION

Statement of Claim filed on or about: February 21, 1999

Claimant, signed the Uniform Submission Agreement: January 21, 1999

Statement of Answer filed by Respondent on or about: May 4, 1999

Respondent, signed the Uniform Submission Agreement: April 7, 1999

CASE SUMMARY

Claimant asserted the following causes of action: negligence, breach of contract, violation of Wisconsin's Uniform Securities Laws. The causes of action relate to a margin call and the alleged lack of notice prior to liquidating Claimant's positions in IKON Office Solutions and Webster Financial Corporation.

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted the following defenses: Pursuant to its Customer Agreement, E*Trade was entitled to liquidate Claimant's positions since Claimant failed to maintain a sufficient equity percentage in his account. Respondent alleged that, Claimant's equity percentage was approximately 10% and that Claimant failed to deposit funds or assets to increase the equity percentage of his account. E*Trade alleged that it was forced to issue a margin call and that it properly liquidated Claimant's position to restore the account equity to an acceptable level. Respondent also asserted Claimant's own responsibility for the damages and losses he complains of; assumption of the risk; contributory/comparative negligence, failure to mitigate; failure to specify which provision of the contract were allegedly breached; Respondent's actions were justified and/or in full conformity with the Contract; and that the Statement of Claim fails to state any claim for relief under Wisconsin's laws.

RELIEF REQUESTED

Claimant requested: rescission of the sale of 4,019 shares of Ikon stock or alternatively his damages; rescission of the sale of 500 share of Webster Financial Corp, or alternatively his damages; costs, attorneys fees, lost dividends, such other and further relief as the arbitration panel deems just and appropriate,

Respondent requested: dismissal, costs and attorney's fees.

OTHER ISSUES CONSIDERED AND DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, the Panel has decided in full and final resolution of the issues submitted for determination as follows:

- 1.) Respondent E*Trade Securities, Inc. is liable and shall pay to Claimant Alex Leykin \$14,215.81 in compensatory damages;
- 2.) Respondent E*Trade Securities, Inc. is liable and shall pay to Claimant Alex Leykin pre-award interest of \$947.72;
- 3.) Respondent E*Trade Securities, Inc. is liable and shall pay to Claimant Alex Leykin \$3,000.00 in attorney's fees pursuant to Section 551.59(3) Wis. Stats.;
- 4.) Respondent E*Trade Securities, Inc. is liable and shall pay to Claimant Alex Leykin \$520.00 in costs which have been retained by NASD Regulation, Inc.;
- 5.) That any relief not specifically enumerated, including punitive damages is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Regulation, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$120.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm is a party.

Member surcharge = \$ 800.00
Pre-hearing process fee = \$ 600.00
Hearing process fee = \$1,000.00

Adjournment Fees

Adjournments requested during these proceedings: N/A

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$400.00 = \$ 400.00
Pre-hearing conference: September 28, 1999 1 session

Two (2) Hearing sessions x \$400.00 = \$ 800.00
Hearing Date: January 18, 2000 2 sessions

Total Forum Fees = \$1,200.00

The Panel has assessed \$800.00 of the forum fees to E*Trade Securities, Inc.

The Panel has assessed \$400.00 of the forum fees to Alex Leykin.

Fee Summary

Claimant, Alex Leykin be and hereby is solely liable for:

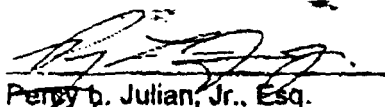
Initial Filing Fee	= \$ 120.00
<u>Forum Fees</u>	<u>= \$ 400.00</u>
Total Fees	= \$ 520.00
<u>Less payments</u>	<u>= \$ 520.00</u>
Balance Due NASD Regulation, Inc.	= \$ 0.00

Respondent, E*Trade Securities, Inc., be and hereby is solely liable for:

Member Fees	= \$ 2,400.00
<u>Forum Fees</u>	= \$ <u>800.00</u>
Total Fees	= \$ 3,200.00
<u>Less payments</u>	= \$ <u>2,400.00</u>
Balance Due NASD Regulation, Inc.	= \$ 800.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)


Perry b. Julian, Jr., Esq.
Public Arbitrator, Presiding Chair

January 25, 2000
Signature Date

Stanley H. Michelstetter, II, Esq.
Public Arbitrator

Signature Date

Larry G. Kjos, Ph.D.
Industry Arbitrator

2/7/00
Signature Date

Date of Service (For NASD office use only)

Respondent, E*Trade Securities, Inc., be and hereby is solely liable for:

Member Fees	= \$ 2,400.00
<u>Forum Fees</u>	= \$ 800.00
Total Fees	= \$ 3,200.00
<u>Less payments</u>	= \$ 2,400.00
Balance Due NASD Regulation, Inc.	= \$ 800.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Percy L. Julian, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date


Stanley H. Michelstetter, II, Esq.
Public Arbitrator

Signature Date

Larry G. Kjos, Ph.D.
Industry Arbitrator

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Date of Service (For NASD office use only)

Respondent, E*Trade Securities, Inc., be and hereby is solely liable for:

Member Fees	= \$ 2,400.00
<u>Forum Fees</u>	= \$ 800.00
Total Fees	= \$ 3,200.00
<u>Less payments</u>	= \$ 2,400.00
Balance Due NASD Regulation, Inc.	= \$ 800.00

All balances are due to NASD Regulation, Inc.

Concurring Arbitrators' Signature(s)

Percy L. Julian, Jr., Esq.
Public Arbitrator, Presiding Chair

Signature Date

Stanley H. Michelstetter, II, Esq.
Public Arbitrator

Signature Date



Larry G. Kjos, Ph.D.
Industry Arbitrator

1-28-2000
Signature Date

Date of Service (For NASD office use only)